



POLICY BRIEF

# Mobile Money Usage: A Comparative Analysis of Burundi with other African Community (EAC) Countries

CURDES

*Michel Armel Ndayikeza*

*Arcade Ndoricimpa*

*Jean Claude Nyamweru*

## Key Messages

- Mobile money usage in Burundi stands at 11%, which is substantially lower than in neighboring East African Community countries such as Tanzania (45%), Uganda (54%), and Kenya (69%), but higher than South Sudan's 1%.
- Burundi also trails other EAC countries in terms of mobile phone ownership and access to electricity, both of which are crucial prerequisites for mobile money adoption and usage.
- It's essential for supply-side participants to acknowledge the underutilization of mobile money in Burundi and tap into the full advantages of this technology.

## What's the issue?

Contrary to the general perception of the authorities interviewed for this study, the latest national survey on mobile money shows that its usage is very low in the country compared to most EAC countries (See Table). Over the period 2019 to 2020, only 11.4% of Burundians reported using their phone to pay, send or receive money. However, the demographics of users, notably gender composition, rural or urban area of residence, age, and education, are similar to those of other EAC countries.

**Table: Mobile money usage in EAC from 2014 to 2021**

Country	Mobile money usage (% age 15+)		
	2014	2017	2021
Burundi	0.7		11.4
Kenya	58.4	72.9	68.7
Rwanda	18.1	31.1	
South Sudan			0.9
Tanzania	32.4	38.5	44.6
Uganda	35.1	50.6	53.8

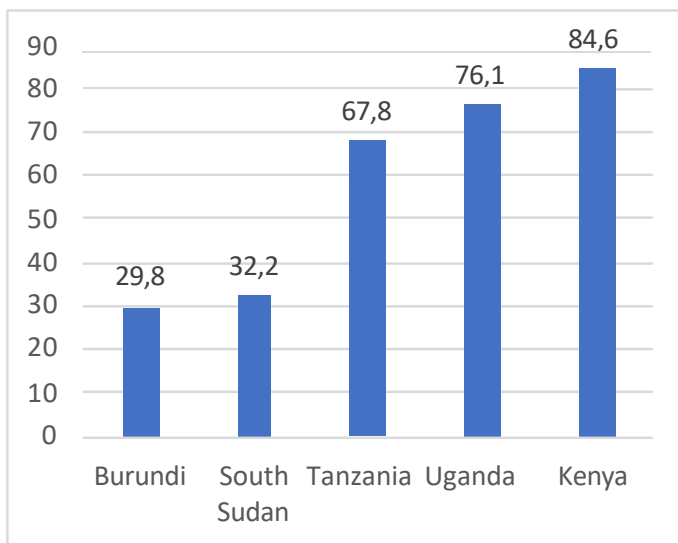
Source: INSBU (2021) for Burundi in 2021 and World Bank (2022) for other country-years.

Since the use of mobile money is conditional on the availability of mobile phones and electricity, we compare these indicators across EAC countries (See Figures 1 and 2). As expected, mobile phone ownership and access to

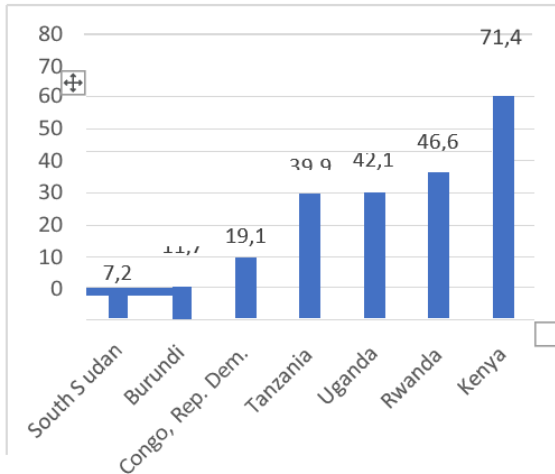
electricity are highly correlated with mobile money usage.

The country with the highest proportion of mobile money users, Kenya, has the highest percentage of people who own a mobile phone (85%) and have access to electricity (71%). In the case of Burundi, the data shows that the percentage of people who have a mobile phone (30%) exceeds the percentage of mobile money users (11%), which suggests that a good number of people have a mobile phone but do not use mobile money (19%). The gap between mobile phone ownership and mobile money usage suggests potential for growth in mobile money adoption.

**Figure 1: Mobile phone ownership in EAC: 2020-2021 (% age 15+)**



Source: World Bank (2022) and INSBU (2021) for mobile phone ownership in Burundi.

**Figure 2: Access to electricity in EAC (2020-2021)**

Source: World Bank (2022)

## Why is this important?

Mobile money, commonly defined as a medium of exchange and store of value accessible through a mobile phone and linked to a mobile phone subscription, offers the possibility to make payments, transfer money, save, and obtain loans. Due to the inaccessibility of the traditional banking system to the majority of the population, especially in rural areas, mobile money is becoming an important solution for bridging the financial inclusion gap in the EAC and reducing poverty, in line with SDG Goal 1 on ending poverty and Goal 10 on reducing inequalities.

## What should policy makers do?

**The recommendations to increase mobile money usage in Burundi include:**

- Prioritizing the expansion of electricity infrastructure to improve access to mobile money services.
- Exploring initiatives to make mobile phones more affordable, such as tax exemptions or subsidies.
- A more active government role in promoting mobile money usage, including expanding the range of government services payable by

mobile money.

- Implementing a comprehensive strategy that incorporates these recommendations can foster the growth of mobile money usage in Burundi, leading to improved financial inclusion and poverty reduction.

## Source

Michel Armel Ndayikeza, Arcade Ndoricimpa, and Jean Claude Nyamweru. 2023. Mobile money usage: a comparative analysis of Burundi with other East African Community (EAC) countries. AERC Collaborative Project on Financial Inclusion.



## Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

Bringing Rigour and Evidence to Economic Policy Making in Africa

- Improve quality.
- Ensure Sustainability.
- Expand influence.

[www.aercafrica.org](http://www.aercafrica.org)

## Learn More



[www.facebook.com/aercafrica](https://www.facebook.com/aercafrica)



[www.instagram.com/aercafrica\\_official/](https://www.instagram.com/aercafrica_official/)



[twitter.com/aercafrica](https://twitter.com/aercafrica)



[www.linkedin.com/school/aercafrica/](https://www.linkedin.com/school/aercafrica/)

## Contact Us

African Economic Research Consortium  
Consortium pour la Recherche Economique en Afrique  
Middle East Bank Towers,  
3rd Floor, Jakaya Kikwete Road  
Nairobi 00200, Kenya  
Tel: +254 (0) 20 273 4150  
[communications@ercafrica.org](mailto:communications@ercafrica.org)